GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3221
ANSWERED ON:12.03.2003
AGREEMENT BETWEEN WESTERN UNION AND POSTAL DEPARTMENT
DR. KIRIT SOMAIYA

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the terms, conditions and agreement between Western Union and Postal Department;

(b) the income earned by the post offices, turn over transaction fees;

(c) the details of the cost for the Postal Department after taking into consideration the space made available alongwith manpower etc.

(d) the total business share of post offices in the Western Union as compared to their other agents;

(e) whether the Postal Department includes the charges of its goodwill and credibility for services made available to Western Union; and

(f) if so, whether the Department will reconsider the same and insist for minimum commission, fees charges from post offices from the Western Union?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY SU.THIRUNAVUKKARASAR)

(a) The Department of Posts entered into an agreement with Western Union Financial Services International on January 24, 2001. The agreement provides for availability of International Money Transfer Service from identified post offices. As a result of this collaboration the recipients can collect the money from Post Offices immediately after the remittance has been made by the sender from abroad. At present under the scheme, only inward remittance service to India is available from more than 185 countries. The agreement is valid for 5 years.

(b) to (e) The Department has earned an income of more than Rs.3 crores since the inception of this service. Its income includes a percentage of the charges levied on the sender and a percentage of the foreign exchange gains per transaction. The service has brought in foreign exchange of more than 40 million US Dollars since inception. Besidesproviding customers a reliable channel for receiving remittances from across the globe and bringing valuable foreign exchange the partnership also optimizes utilization of the existing network and resources of the Department including buildings, manpower, hardware, software as well as brand identity. The Department only incurs marginal additional costs on items such as telephony, forms and stationary and marketing. The Department operates this service on a cost plus basis after consideration of all the factors. It has a 11% market share in the business.

(f) No, Sir. There is no such proposal at present in view of the position explained above.